



Commission for
Communications Regulation

Information Notice

Revision of Partial Private Circuit Pricing and Bulk Migration Window

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1 Introduction

Partial Private Circuits (PPCs) are an interconnect product that will allow Other Authorised Operators (OAOs) to provide point to point data services by availing of eircom's network, including its local access network, together with elements of their own infrastructure, to provide a service equivalent to eircom's leased line product.

The Office of the Director of Telecommunications Regulation (ODTR) mandated in D10/02 that eircom offer proposals for PPCs by the end of August 2002 and that a forum be established to agree the product description and technical and operational aspects necessary for implementation. A target completion date was established of 20 December 2002.

In Direction 3.4.1 of Decision Notice D17/02, ComReg directed eircom to provide to the Commission a fully cost-oriented pricing submission for the PPC product elements of connection, disconnection and recurring charges by 7 February 2003. Eircom were additionally directed that the pricing submission should be computed on the basis of Long Run Incremental Cost and should be consistent with the computation of conveyance rates. In addition, in Direction 3.4.2, ComReg directed eircom to provide to the Commission a fully cost oriented pricing submission, with full cost justification for all other PPC process elements by 14 February 2003. Finally, in Direction 3.5.1 of Decision Notice D17/02, ComReg directed eircom to submit a draft Reference Interconnect Offer Service Schedule for the Wholesale Interconnect PPC product by 14 February 2003. ComReg also directed eircom, in Direction 3.5.2, to offer a Wholesale Interconnect PPC product with associated processes, terms and conditions and prices by 15 February 2003.

Decision Notice D4/03 directed eircom, inter alia, to remedy a breach of Direction 3.4.1 of D17/02 by resubmitting prices to ComReg by 10 March 2003.

ComReg and eircom then engaged in a process of review of the costing methodology giving regard to appropriate inputs resulting in publication of PPC product prices on 16 July 2003.

In addition, as the process charges were only agreed towards the end of August 2003, eircom agreed to put in place a period for initial bulk migration of circuits, which would then qualify for the agreed 75 day payment, of 6 months starting on 25 August 2003.

2 Partial Private Circuit Pricing Changes

Since the launch of the PPC product and associated processes, ComReg and eircom have been analysing the various and associated pricing.

The result of that review is a reduction in price across all types of circuit within the PPC product range, i.e. In-span Handover, Customer-sited Handover and End User Links and eircom will publish a new Network Price List in the next few days, the prices of which will be dated from the product launch date of 16th July 2003.

3 Bulk Migration

It was agreed between ComReg and eircom that migration orders for PPCs placed by OAOs between 25 August 2003 and 25 February 2004 would be treated as a bulk migration (with appropriate process) and that these orders would qualify for a payment related to the delay in the introduction of the product. In order for an OAO to identify which circuits it wished to migrate it would be necessary for the OAO to perform detailed technical and financial evaluations. The change to the pricing directed above will have a material impact on those evaluations.

Therefore, ComReg and eircom have agreed to extend the period for which migration orders qualify as bulk migration and the 75 day payment by 3 months to 25 May 2004. This will allow OAOs time to review their evaluations and submit orders appropriate to the new prices.